

Sanitized Copy Approved for Release 2011/03/02 : CIA-RDP85M00363R000100010006-8

Page Denied

Central Intelligence Agency



Washington, D. C. 20505

DIRECTORATE OF INTELLIGENCE

12 January 1983

Japanese Foreign Policy

25X1

A close US-Japanese relationship has been the cornerstone of Japan's foreign policy. Prime Minister Nakasone has stressed that a solid alliance is essential for successfully coping with international problems. As a result, we believe the Japanese will continue to see their diplomatic interests tied closely to ours and that Tokyo will continue to solicit US views before making foreign policy choices. Japan, nevertheless, is beginning to move toward a more active and assertive role in the foreign policy arena. We believe that an increasingly self-confident Japan may choose paths different from Washington's when Tokyo views its interests as transcending the US-Japanese relationship.

25X1

The Soviet Union

Japan has distrusted Moscow for more than a century. The USSR's refusal to return the islands north of Hokkaido, its actions in such countries as Afghanistan and Poland, and its continued military buildup have all contributed to this continuing negative attitude. Tokyo has generally followed

This memorandum, requested by State Department officials for use in preparation for the visit by Prime Minister Nakasone, was prepared by [redacted] Japan Branch, Northeast Asia Division, Office of East Asian Analysis. Information available as of 13 January 1983 was used in its preparation. Comments and queries are welcome and may be directed to the Chief, Japan Branch, Northeast Asia Division, OEA, [redacted]

25X1

25X1

25X1

EA M. 83-10005

Washington's lead when dealing with the USSR, and has supported US initiatives such as sanctions after the Soviet invasion of Afghanistan in December 1979. Like the United States, Japan recognizes the Soviet threat--particularly since Afghanistan--although the two do not completely agree on its severity or on how best to cope with it. [REDACTED]

25X1

The Japanese believe it important to keep open channels of communication to Moscow. Based on his public statements, we judge that Prime Minister Nakasone views the change of Soviet leadership as an opportunity for improving communication. In an unusual move, he met with the Soviet Ambassador to Tokyo shortly after taking office. In addition:

- Tokyo has invited the Soviet Fisheries Minister to visit Japan in February to negotiate a long-term fisheries agreement; he will be the first Soviet Cabinet minister to visit Japan officially since the invasion of Afghanistan.
- Also in February, a large Japanese business mission, led by Japan Chamber of Commerce and Industry President Nagano, will travel to Moscow, the first such delegation to the USSR since 1979. [REDACTED]

25X1

We expect Tokyo will continue to relax restrictions on official contacts as well as on trade with the Soviets. In fact, Tokyo's current plans for exchanges are probably in part an effort to keep up with other Western countries in developing relations with Moscow.

- According to US Embassy officials, Japanese bureaucrats see signs of a general East-West thaw, including the high level of Western representation at Brezhnev's funeral and the end of pipeline sanctions.

--

25X25X1

[REDACTED]

25X1

Despite Tokyo's drift back toward business as usual with the Soviets [REDACTED]

[REDACTED] we believe Japan will continue to consult closely with Washington on questions of policy toward Moscow. We

25X1

25X1

25X1

do not expect Tokyo to abandon key demands for normalizing relations with the Soviets. Nakasone shows no sign, for example, of changing Japan's policy of refusing to initial a peace treaty with the USSR until the Soviets return the Northern Territories. [REDACTED]

25X1

China

Since Japan normalized relations with China in the early 1970s, Tokyo has been committed to building stable, broadly based ties to its major Asian neighbor. To support the moderates in Beijing and to encourage the Chinese to expand their opening to the West--as well as to provide opportunities for Japanese businessmen--Japan has contributed to China's modernization effort. Tokyo has provided large-scale loans on favorable terms for equipment used in the construction of railroads, ports, and whole plants, and has also offered access to Japanese technology. Some potential for trouble exists in the relationship, however.

- We believe Tokyo is concerned by China's recent move away from strong public support of Japan's security treaty with the United States.
- According to the US Embassy and the Japanese press, Japanese business leaders are increasingly pessimistic about significant further expansion of Japan-China economic ties, and Tokyo may not give Beijing as much economic assistance as it wants.
- The textbook controversy last summer spurred Chinese criticism of what they described as a resurgence of Japanese "militarism."
- China will carefully monitor Japanese contacts with Taiwan and can be expected to express displeasure should exchanges such as the visit of senior Liberal Democratic Party leader Esaki to Taipei last summer continue. [REDACTED]

25X1

The Japanese do not yet view these problems as serious enough to reevaluate their policy toward China, however, and US Embassy officials in Tokyo report that they have no evidence that Nakasone intends to make changes in that policy. The Prime Minister has pledged to continue to promote good relations with Beijing on political, economic, and cultural fronts. We do not expect Japan to pursue a China policy that runs counter to US interests in the area: Nakasone has said that stable, friendly relations with the United States provide the basis for sound policy toward Beijing. [REDACTED]

25X1

25X1

The Western Alliance

In his policy speech to the Diet on 3 December, Nakasone reconfirmed Japan's commitment to work with the United States and Western Europe. We expect that Japan will continue to call for increased cooperation among advanced democracies. During his January 1983 trip to Europe, for example, Foreign Minister Abe expressed interest in consulting more closely with the NATO countries on security issues. Tokyo has in fact cooperated with other members of the Western camp, particularly on East-West problems such as the Afghan and Polish sanctions. [redacted]

25X1

The Japanese have sometimes considered siding with Western Europe when it seemed to their advantage--on the issue of the US oil and gas field equipment embargo, for example--and Japan has joined Europe in criticizing high US interest rates. Nevertheless, a review of the Japanese press suggests that Tokyo continues to perceive some anti-Japanese sentiment in Europe. Japan has not made significant progress toward developing close bilateral ties to European nations. It has been much less responsive, for instance, to West European than to US demands for trade liberalization. We expect, therefore, that Japan will continue to put most emphasis on the US relationship. As Kiichi Miyazawa put it last year while serving as Chief Cabinet Secretary, Japan must be cautious about cooperating with Europe lest, in the end, it find itself isolated should the United States and Europe reach accommodation. [redacted]

25X1

The Middle East

The Middle East is the area in which Tokyo's foreign policy is most likely to diverge from Washington's. Despite continuing efforts to diversify its sources of energy, Japan remains dependent on the Middle East for about 70 percent of its oil. Consequently, it places considerable weight on ensuring good relations with the Arab oil exporters. To do so, Tokyo has sometimes gone further than the United States has wanted. In late 1981, for example, Tokyo hosted PLO leader Arafat, although the visit was billed as "unofficial." More recently, the Japanese have begun to consider recognizing the PLO as the sole legitimate representative of the Palestinian people in return for an "authoritative" PLO statement recognizing Israel's right to exist. [redacted]

25X1

We expect Japan will continue to search for initiatives toward the Middle East that will please the Arabs, although it will try to avoid antagonizing the United States in the process. [redacted]

25X6

[redacted] he has already said he wants to visit the Middle East next summer. He will not be a

25X6

newcomer to the area. In the spring of 1973, while serving as Minister of International Trade and Industry, he was the first Japanese Cabinet minister to visit the OPEC countries. At that time and again in early 1974 he was in the Middle East to discuss oil supplies in exchange for Japanese economic cooperation. According to the press, Nakasone hopes Japan can serve as a bridge between Washington and the Arab states. [redacted]

25X1

Asia

Japanese and US interests and analysis of the situation in Asia generally coincide. Both agree on the importance of support for ASEAN. Under Nakasone--who telephoned the heads of government of the five ASEAN states immediately after taking office--we expect Japan will continue to assist ASEAN economically and to support ASEAN's positions on Vietnam and the Kampuchean coalition. [redacted]

25X1
25X1

[redacted] Shortly after taking office he said that he hopes to visit the ASEAN nations this year. [redacted]

The United States and Japan disagree somewhat on Indochina. According to Foreign Ministry officials, Tokyo will continue to freeze aid to Vietnam, but Japan wants to maintain a "small channel of dialogue" with Hanoi. The Foreign Ministry believes that by allowing Vietnamese officials to visit Japan and see the tangible benefits of accommodation with the West, Tokyo may be able to entice Hanoi to negotiate on Kampuchea. [redacted]

25X1

25X1

Both Tokyo and Washington agree on the importance of a stable relationship between Japan and South Korea. [redacted]

25X1

[redacted] He met with President Chun in Seoul in early January, and the two reached general agreement on Japanese economic assistance to Korea. Nakasone was the first Japanese prime minister to visit Seoul to hold substantive discussions with his Korean counterpart since normalization of relations in 1965. Along with several events last month--the release of dissident leader Kim Dae Jung and the successful meeting of Japanese and Korean parliamentarians in Japan--this visit should improve chances for easing tension between the two nations. [redacted]

25X1
25X1

25X1

At the same time, anti-Japanese feeling in Korea and a negative attitude toward Seoul on the part of the Japanese, both exacerbated by the textbook issue, could continue to trouble the relationship. [redacted]

25X1
25X1

[redacted] Japan thus may not be able to move as quickly to develop close relations with Korea as the United States would like. [redacted]

25X1

25X1

Africa/Latin America

Latin America and Africa generally remain low priorities for Japan, and Tokyo may not provide as much support as Washington might like on such matters as the Caribbean Basin Initiative. Japan's foreign policy interests in the two regions are focused on the resources and development potential of these regions. Tokyo is thus most concerned with stability in both areas and is likely to go along with US policy toward them. US pressure has been a factor in increased Japanese aid to countries in both areas. We believe Tokyo considers this involvement a means of demonstrating to Washington that Japan is a cooperative ally and one that fulfills its international responsibilities. [redacted]

International Issues

25X1

Japan has been one of the United States' most reliable allies in international forums. Japan has so far supported the United States in trying to ensure continued Israeli membership in international organizations, for example. At Washington's urging Tokyo has begun to take a still small but growing interest in refugee affairs. Japan will provide financial and technical assistance to the Bataan refugee reprocessing center in the Philippines, for example, and has increased food aid for African refugees. [redacted]

25X1

Also in response to US pressure Japan has increasingly taken strategic concerns into consideration when allocating foreign aid in an effort to strengthen Third World nations and reduce opportunities for Soviet intervention. Southeast Asia, particularly ASEAN's "front line state," Thailand--has been the principal beneficiary of Japanese economic assistance. Japan has also boosted aid to Turkey, Egypt, Oman and other strategic countries in or adjacent to the Middle East. Japan has followed the US lead during multilateral debt rescheduling negotiations, including those on Mexico and Zaire. We expect Tokyo will continue to be supportive in this area, [redacted]

25X1

On the other hand, on some international issues Tokyo's positions have and will continue to diverge from Washington's. Japan voted for the draft Law of the Sea treaty last spring. Although it did not sign the treaty in December, largely in response to US pressure, US Embassy officials in Tokyo expect the Japanese to sign sometime this year. On the issue of whaling,

25X1

25X1

Tokyo opposed the International Whaling Commission's decision to ban commercial whaling beginning in 1986. [REDACTED]

25X1

Japan's dependence on the Third World for markets and raw materials has sometimes made it more responsive to the South on North-South issues than is the United States. We expect Tokyo to continue to attempt to serve as a bridge between the developing world and the industrialized nations. [REDACTED]

25X1

Japan's special interest in disarmament, and especially in nuclear disarmament, could lead it to support initiatives--on a comprehensive test ban, for example--that do not meet US requirements. In the past, however, Japan has modified its disarmament policies to take into account US objections, as it did last summer during the UN Special Session in Disarmament, when Tokyo did not present a planned draft proposal on the protection of nuclear facilities. Japan has its own peace movement, which has sponsored antinuclear rallies and opposed the hosting of US military bases. The movement is divided, however, and although it was active before the special session, it has been unable to sustain that momentum. [REDACTED]

25X1

SUBJECT: Japanese Foreign Policy

Distribution:

- 1 - Paul Wolfowitz, Department of State
- 1 - Albert C. Seligman, Department of State
- 1 - George Shultz, Department of State
- 1 - Gaston Sigur, National Security Council
- 2 - DDI
- 1 - OEA/NA/Japan Branch
- 1 - OEA/NA
- 1 - D/OEA
- 1 - C/Production/OEA
- 1 -
- 1 - C/NIC
- 1 - NIO/EA
- 1 - Executive Director
- 1 - C/PES
- 2 - OCR/ISG
- 5 - CPAS/IMC/CB

25X1

DDI/OEA/NA/Japan/ (13 January 83)

25X1

DIRECTORATE OF INTELLIGENCE

Japan: Managing Relations with China and the Soviet Union

Japanese and US relations with the two Communist powers and implications for the West of the Sino-Soviet talks will be high on Prime Minister Nakasone's agenda during his mid-January visit to Washington. He has already emphasized his determination to consolidate relations with China and has taken the initiative in promoting a dialogue with Moscow. In addition, however, he has publicly declared that he regards a strong alliance with the United States as indispensable for a successful Japanese policy toward China and the Soviet Union.

Challenges and Opportunities

China's identification of the USSR as its principal security threat, and the resulting emphasis Beijing placed on strengthening relations with Tokyo and Washington, yielded substantial benefits for the Japanese. In addition to expanded business opportunities in China, Japan's left-wing opposition was undercut on security issues by China's endorsement of both the US-Japan Mutual Security Treaty and a moderate strengthening of the Self Defense Forces.

This memorandum, requested by State Department officials for use in preparation for visit by Prime Minister Nakasone, was prepared by [] Japan Branch, Northeast Asia Division, Office of East Asian Analysis. Information available as of 12 January 1983 was used in its preparation. Comments and queries are welcome and may be directed to the Chief, Japan Branch, Northeast Asia Division, OEA, []

Recent events, however, have forced Tokyo to initiate a reappraisal of the Sino-Soviet-US triangular relationship and the implications for Japan.

- Two weeks before Nakasone took power, a new leadership was installed in Moscow, opening up the possibility that the Soviets might reappraise their policy toward Japan.
- Ten days before Nakasone's election, the foreign ministers of China and the USSR held the highest level-official meeting in 13 years.
- The new prime minister, moreover, took office at a time when US-Japanese relations had entered a period of unprecedented tension over trade and defense issues. []

25X1
25X1

These developments seem to have registered strongly with Nakasone, who appears eager to respond quickly, forcefully, and creatively. His first foreign policy initiative was to request an invitation to Washington. While we believe that his primary motivation was to get bilateral relations back on track, he made it clear that relations with the two big Communist powers also figured prominently in his thinking. In an interview with an American journalist published in mid-December, Nakasone said:

I want to establish a firm and very strong bond between (Japan and the United States). On the basis of this strong tie, we can develop our policies vis-a-vis the Communist bloc nations.... Without a strong US-Japan relationship, we cannot afford to have any effective Soviet policy...or any productive China policy. []

25X1

While preparing for his visit to the United States, Nakasone was also initiating contacts with the Soviet Union and China. Within 12 days of his inauguration, he:

- Met with Chinese Ambassador Song and telephoned Chinese Premier Zhao.
- Consulted with his ambassadors to Moscow and Beijing.
- Agreed to meet with Soviet Ambassador Pavlov, breaking the precedent set by former Prime Minister Suzuki, who had kept the Soviet Ambassador at arm's length. []

25X1

Tokyo also invited Soviet Minister of Fisheries Kamentsev to visit Japan in February for consultations with his Japanese

counterpart. Kamentsev will be the first Soviet cabinet minister to visit in an official capacity since the invasion of Afghanistan. In addition, the Prime Minister allowed Nagano, president of the Japan Chamber of Commerce and Industry, head of the Japan-Soviet Economic Committee, and a long-time promoter of Soviet-Japanese trade, to proceed with plans for a high-level Japanese business delegation to visit the Soviet Union. The 150-member mission will be the first of its kind since September 1979. Although Foreign Ministry officials have told the US Embassy that the Kamentsev and Nagano visits were being planned well before Nakasone became Prime Minister and have stressed that this did not represent any softening of Tokyo's stance toward Moscow, we believe Nakasone welcomed them as opportunities to improve communications with the new Soviet leadership. [REDACTED]

25X1

Possible Policy Response

Soviet-Japanese Relations: Despite these moves, we believe Japan will wait for an initiative from Moscow before considering any policy change. [REDACTED]

25X1
25X1

[REDACTED] We believe that, while standing firm on the principal outstanding problems between the two countries, Nakasone is sensitive to the opportunity that a change in Soviet leaders represents for Japan. There is no indication, however, that either Nakasone or anyone else in a position of responsibility is optimistic that the Soviets will make any basic changes in their policy toward Japan. [REDACTED]

25X1

In security matters, we believe Nakasone will not permit Soviet propaganda pressure to divert him from his effort to tighten the alliance with the United States and strengthen Japan's defense posture. Given his well established reputation as an anti-Communist and a hawk, however, Nakasone will probably find it politically advantageous to avoid highlighting his view of the USSR as Japan's only serious potential enemy and instead project an image of flexibility and statesmanship. "In my view," he said recently on national television, "(there is) nothing more unfortunate and dangerous than not having an opportunity to talk with one's toughest opponent." [REDACTED]

25X1

Nakasone's approval of the Nagano mission suggests that he believes it prudent to respond to business pressures to relax restrictions on trade with the Soviet Union. In 1981, bilateral

trade amounted to \$5.3 billion, only 1.8 percent of total Japanese foreign trade. Nevertheless, for some Japanese manufacturers of steel and machinery, the Soviet market is important, and the Prime Minister will probably try to accommodate them. [REDACTED]

25X1

25X1

Sino-Japanese Relations: Nakasone has taken every opportunity to stress his adherence to Tokyo's long-standing policy of promoting friendly relations with the People's Republic. The Chinese in turn have publicly said that they are committed to maintaining good relations with his government. [REDACTED]

25X1

25X1

Beijing, nonetheless, has adopted a more demanding attitude toward Japan over the past six months. For example, the Chinese used the textbook affair last summer and fall to play up the potential dangers of right-wing militarism in Japan. With that specific controversy resolved, Beijing now says little about the dangers of militarism, and it continues to support a moderate Japanese defense buildup. In our view, however, Beijing is still holding to a neutral position on the US-Japan Security Treaty in contrast to its earlier strong support. Possibly because they are worried about what this shift in policy portends and possibly because they are afraid of provoking an overreaction in their own government, Japanese Foreign Ministry officials in Beijing and Tokyo emphasize to US officials that nothing has changed. [REDACTED]

25X1

Sino-Soviet Relations: [REDACTED]

25X1

25X1

[REDACTED] the potential stakes for Japan remain high, and Tokyo will be monitoring developments closely. The Foreign Ministry probably anticipates that both China and the Soviet Union will attempt to use any improvement in their relations to gain leverage in their relations with Japan and the United States. [REDACTED]

25X1

The Foreign Ministry is stressing to US officials that Japan and the United States should not be too worried about improved relations between the Soviet Union and China, which they see as a self-limiting process that will stop well short of threatening the West. The Ministry sees Beijing assuming a more independent, nationalistic stance and attempting to stake out a position equidistant from the United States and the Soviet Union. Japanese officials also believe, however, that the Soviet Union remains China's chief security concern and that Japan and the United States remain China's key foreign sources of support for

modernization. [REDACTED]

25X1

According to one of the Foreign Ministry's senior Soviet experts, the Ministry believes that the Soviet Union under Andropov will attempt to improve relations with China by negotiating force reductions along their common border and--possibly--by pulling troops out of Afghanistan. But it also believes that Moscow would have to terminate all aid to Vietnam to achieve a significant rapprochement with China and that Moscow is not likely to take this step. [REDACTED]

25X1

Implications for the United States

Nakasone will arrive in Washington mindful that relations among the major powers engaged in East Asia are undergoing adjustments. We believe that these changes, combined with the advent of the Andropov regime, are perceived by the Prime Minister as sufficiently worrisome to demand immediate attention on his part. Nakasone's public statements suggest that, in his meetings with US officials, he will want as clear a picture as possible of how the United States plans to respond to improving Sino-Soviet relations. He will want to ensure that the US and Japanese governments are prepared to move in tandem on East-West issues and that he will not be surprised by US initiatives. For example, Foreign Minister Abe has expressed concern that an arms limitation agreement with Moscow might shift Soviet SS-20s from the European to the Asian theater. [REDACTED]

25X1

25X1

SUBJECT: Managing Relations with China and the Soviet Union

Distribution:

- 1 - Richard Armitage, Department of Defense
- 1- Francis West, Department of Defense
- 1 - Cdr. James Auer, Department of Defense
- 1 - Paul Wolfowitz, Department of State
- 1 - Albert C. Seligman, Department of State
- 1 - Larry Farrar, Department of State
- 1 - George Shultz, Department of State
- 1 - Gaston Sigur, National Security Council
- 2 - DDI
- 1 - OEA/NA/Japan Branch
- 1 - OEA/NA
- 1 - D/OEA
- 1 - C/Production/OEA
- 1 -
- 1 - C/NIC
- 1 - NIO/EA
- 1 - Executive Director
- 1 - C/PES
- 2 - OCR/ISG
- 5 - CPAS/IMC/CB

25X1

DDI/OEA/NA/Japan/ (12 January 83)

25X1